

## Message Text

CONFIDENTIAL

PAGE 01 OECD P 32207 01 OF 02 301053Z

22

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 DODE-00 NRC-05 NSAE-00

TRSE-00 ERDA-05 CIAE-00 COME-00 SS-15 SP-02 NSC-05

MC-02 ACDA-07 SSO-00 USIE-00 /068 W

----- 029404

O R 301049Z OCT 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 4044

INFO USLO PEKING

AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 01 OF 02 OECD PARIS 32207

E.O. 11652: XGDS1

TAGS: ESTC, COCOM, CH, FR, US

SUBJECT: REQUEST FOR GUIDANCE ON ISSUES RAISED BY US

DECISION ON FRENCH COMPUTER FOR CHINA--

IL 1565

REF: (A) STATE 265883, (B) COCOM DOC (75) 1108

SUMMARY: US POSITION REFTEL A PRESENTED IN PERSON BY  
US DEL TO FRENCH DEL OCTOBER 29. GERMAN, JAPANESE, AND  
UK DELS WERE ALSO INFORMED. JAPANESE DEL COMMENTED ON  
IMPLICATIONS FOR JAPANESE COMPUTER EXPORTS TO CHINA.  
US DEL ANTICIPATES WE WILL SHORTLY BE FACED IN COCOM  
WITH QUESTIONS FROM OTHER DELS AS TO WHAT EXTENT THIS  
ACTION IMPLIES PRECEDENT FOR FUTURE CASES OF COMPUTER  
EXPORTS TO CHINA AS WELL AS TO THE SOVIET UNION AND  
EASTERN EUROPE. WE WILL NEED GUIDANCE ON THESE QUES-  
TIONS AS STATED IN SOMEWHAT GREATER DETAIL BELOW.  
END SUMMARY

1. US POSITION SET FORTH REF A WAS RECORDED IN LETTER  
AND PRESENTED TO FRENCH DEL ALLEX IN PERSON BY US DEL  
MORNING OF OCTOBER 29. ALLEX EXPRESSED PLEASURE AT  
RESOLUTION OF CASE AND RAISED ONLY TWO POINTS: (A) HE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 32207 01 OF 02 301053Z

NOTED CDC WAS TO "USE BEST EFFORTS" TO OBTAIN TWO-YEAR

RESIDENCE, UHEREAS RESIDENCE FOR ONLY 18 MONTHS HAD  
ALREADY BEEN AGREED ON. US DEL EXPLAINED WE REGARD 18  
MONTHS AS MINIMUM.

(B) ALLEX WAS ALSO SURPRISED THAT MONTHLY REPORTS WERE  
TO BE SUBMITTED TO US GOVERNMENT INSTEAD OF TO FRENCH,  
IN ACCORDANCE WITH USUAL COCOM PRACTICE. US DEL REPLIED  
HE ASSUMED REPORTS COULD BE SUBMITTED TO BOTH GOVERN-  
MENTS.

2. GERMAN, JAPANESE, AND UK DELS WERE ALSO INFORMED  
AND GIVEN COPIES OF LETTER TO ALLEX, AND THEIR REACTIONS  
MAY BE SUMMARIZED AS FOLLOWS:

(A) JAPANESE DEL SAITO STATED HE WAS GRATEFUL FOR THIS  
INFORMATION, ESPECIALLY IN VIEW OF FACT THAT JAPANESE  
FIRM HITACHI IS NOW NEGOTIATING FOR COMPUTER TO BE  
INSTALLED AT PEKING FOR WEATHERWATCH PROGRAM UNDER  
AUSPICES OF WORLD METEOROLOGICAL AGENCY. HIS AUTHORI-  
TIES WOULD STUDY OUR POSITION IN THIS CASE WITH INTEREST  
AS AN INDICATION OF US POLICY FOR COMPUTER SALES TO  
CHINA.

(B) GERMAN DEL ALSO STATED APPRECIATION FOR ADVANCE  
INFORMATION, WHICH HIS AUTHORITIES MIGHT COMMENT ON  
SUBSEQUENTLY. FOR HIS PART, HE WONDERED IF US POSI-  
TION ON REFCASE COULD BE VIEWED AS A PRECEDENT WITH  
RESPECT TO COMPUTER EXPORT TO EASTERN EUROPE. US DEL  
RESPONDED THAT POSITION STATED WAS TO BE VIEWED ONLY  
WITHIN CONTEXT OF CIRCUMSTANCES POSED BY REFCASE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 32207 02 OF 02 301058Z

22

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 DODE-00 NRC-05 NSAE-00

TRSE-00 ERDA-05 CIAE-00 COME-00 SS-15 SP-02 NSC-05

MC-02 ACDA-07 SSO-00 USIE-00 /068 W

----- 029445

O R 301049Z OCT 76  
FM USMISSION OECD PARIS  
TO SECSTATE WASH DC IMMEDIATE 4045  
INFO USLO PEKING  
AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 02 OF 02 OECD PARIS 32207

(C) UK DEL ACCEPTED COPY OF LETTER WITHOUT COMMENT.

3. RESIDENCE REQUIREMENT OF ONLY 18 MONTHS OR TWO YEARS IN THIS CASE MAY LEAD TO IMPORTANT QUESTIONS BEING RAISED BY OTHERS ABOUT OUR COMPUTER SAFEGUARDS POLICY. THESE QUESTIONS MAY BE PUT TO US AS EARLY AS COCOM MEETING NOVEMBER 2. OUR REDUCTION OF THE RESIDENCE REQUIREMENT IN THIS CASE FROM THREE YEARS TO A SHORTER PERIOD CAN SCARCELY ESCAPE NOTICE. IN LONG US STATEMENT IN DOC (76) 737, WHICH IS CITED IN US POSITION CONVEYED TODAY TO FRENCH DEL, WE STATED WE WERE "APPLYING THE SAME LEVEL OF SAFEGUARDS BEING CONSIDERED FOR THIS CASE TO BOTH KAMA RIVER AND AEROFLOT CASES," AND WE FURTHER STATED: "CONSIDERATIONS APPLIED TO CHINA SHOULD BE IDENTICAL TO THOSE APPLIED TO EASTERN EUROPEAN COUNTRIES AND THE SOVIET UNION." WE DECLARED FURTHER THAT IT WAS NOT OUR INTENTION "TO APPLY A 'DE FACTO' CHINA DIFFERENTIAL ON PROPOSED EXPORTS." WE CAN EXPECT THAT OTHERS MAY POINT OUT THAT IN THIS CASE AT LEAST, WE ARE APPLYING TO CHINA CONDITIONS MORE FAVORABLE THAN THOSE WE APPLY TO THE SOVIET UNION AND EASTERN EUROPE. CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 32207 02 OF 02 301058Z

THEY MAY LINK THIS ACTION TO OUR POSITION IN THE DRESSER CASE, DOC (76) 841, WHICH WE PROPOSE TO APPROVE WITH NO SAFEGUARDS, AND MAY WELL ASK US WHETHER IN FACT A REVERSE CHINA DIFFERENTIAL IS IN THE MAKING. (THE ABSENCE OF SAFEGUARDS IN THAT CASE, AND ITS IMPLICATIONS, WAS COMMENTED ON IN OECD PARIS 28449 (NOTAL).) PERHAPS MORE IMPORTANT, OUR COCOM ALLIES MAY ASK US SEARCHING QUESTIONS AS TO THE PRECEDENT VALUE OF THIS ACTION FOR FUTURE CASES INVOLVING THE SOVIET UNION AND EASTERN EUROPE.

4. DEL WOULD APPRECIATE RECEIVING GUIDANCE ON THESE QUESTIONS ASAP. THESE QUESTIONS MAY COME UP AS EARLY AS NEXT TUESDAY'S MEETING WHICH, AS AN EXCEPTION, WILL BE HELD IN THE AFTERNOON.  
KATZ

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN POLICY POSITION, STRATEGIC TRADE CONTROLS, EXCEPTIONS LIST, EXPORT LICENSES, COMPUTERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 OCT 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976OECDP32207  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Film Number:** D760405-0634  
**From:** OECD PARIS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t1976102/aaaaaaza.tel  
**Line Count:** 169  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 265883  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <05 MAY 2004 by ShawDG>; APPROVED <16 AUG 2004 by BoyleJA>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REQUEST FOR GUIDANCE ON ISSUES RAISED BY US DECISION ON FRENCH COMPUTER FOR CHINA-- IL 1565  
**TAGS:** ESTC, CH, FR, US, COCOM  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006